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Major News Releases and Speeches

May 20 - May 27, 1983

IN THIS ISSUE:

Remarks—

Prepared for delivery by Assistant Secretary for Marketing and Inspection Services C.W. McMillan before the American Meat Institute's Public Affairs Conference, Washington, D.C., May 23.

Testimony—

Testimony by Assistant Secretary of Agriculture William G. Leshner before the House Agriculture Committee's subcommittees on wheat, soybeans and feed grains and cotton, rice and sugar, May 24.

News Releases—

USDA Extends Comment Period on Burley, Flue-Cured Marketing Quota Rules

USDA to Discontinue Burley, Flue-Cured Tobacco Carryover Program

USDA Simplifies Condemned Poultry Carcass Disposal

USDA to Expand Conservation Help on Navajo Reservation

USDA Names Winners in Third Annual Food Safety Poster Contest

Wet Weather Reduces Fresh Vegetable Supplies in April

President Reagan Presents Science Medal to USDA Researcher

USDA Quarantines Texas Cattle for Brucellosis

USDA Donates Butteroil to Poland

Scientists Just Starting Your Careers: USDA Wants You

USDA Issues New Draft of Meat Purchase Specifications for Comment

Background—

Enterprise Zones for Rural Development

U. S. D. A.

National Agricultural Library

Received

Procurement Section

Current Serial Records

IL20

Page 18

U. S. A.
Library
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Procurement
Contract 20100001 10/19/00 10/19/00

Remarks

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Prepared for delivery by Assistant Secretary for Marketing and Inspection Services C.W. McMillan before the American Meat Institute's Public Affairs Conference, Washington, D.C., May 23.

Seventy-seven years ago, when the Federal Meat Inspection Act was signed into law and the American Meat Institute got its start, a unique partnership was born. To this day, that relationship continues to thrive—with the American public its benefactor.

But things didn't have to take that turn. The year 1906 was a time of turmoil, and the meat industry was the target. In the midst of public pressure and legislative reform, the industry took a positive step for everyone concerned and formed your predecessor organization, the American Meat Packers Association.

From the start, AMI was a leader of the meat industry. More important, your association recognized that to succeed, it could not operate in a vacuum. What impressed me most in learning about AMI's early years was the fact that one of its first acts was to meet with federal inspection officials in an effort to resolve mutual concerns.

We in USDA take pride in the cooperative spirit USDA and AMI have built together. I'm sure you agree that the most essential by-product of that relationship has been the development of a profound and richly deserved consumer confidence in the American meat supply. Considering the situation that existed little more than three-quarters of a century ago, it's clear that confidence was hard won.

You and I talk about consumer confidence a lot. But up to now, when the safety of our food supply was more or less a given, we tended to take it for granted. Neither USDA nor AMI must ever lose sight of our critical role in ensuring that the confidence endures.

Consumers look to us—the federal government and the meat industry—to provide products that meet their own high standards for safety and wholesomeness. They look to the product label as the guarantee that what they're paying for is what they'll get. Finally, consumers must rely on us to prevent the dangers they cannot detect themselves.

Obviously, we could not hoodwink the public into putting confidence into a meat supply unworthy of that confidence; nor would we want to. Perhaps you've heard of the recent Good Housekeeping Institute study that indicates the public has retained its trust. Through interviews with 200 women, this respected professional polling company uncovered some important attitudes on food labeling and related consumer concerns.

In one section of the study, participants were asked to rate the success of USDA and the Food and Drug Administration in carrying out our food protection responsibilities. Regarding the degree to which we ensure the safety of food, we were found to be at least "fair" by 95 percent, and "good" or "very good" by over 76 percent. In protecting consumers from economic fraud, nearly 90 percent said we do "fair" or better, with over 50 percent rating us "good" or "very good." It goes without saying that without the responsible and responsive stance of your industry, the track record would not be nearly so impressive.

Consumer confidence is a tricky thing, however—one misstep, and you're out of the running. The public's positive attitude may be the result of over 75 years of hard work, but that doesn't make that attitude invulnerable. We need only look to events of the past year to see why this is so.

Without question, the most persuasive evidence before us is last fall's plague of product tampering incidents. As I'm sure you remember, it started with the deaths of seven in the Chicago area after they ingested Tylenol laced with cyanide. Then, copycat criminals emerged. They tampered with other consumer products, or made false claims to that effect. Soon, food, over-the-counter drugs, and other consumer products came to be regarded not as the essentials of life, but as weapons that could be used to injure, or even kill.

While none of the later episodes even approach the human devastation of the Tylenol incident, the false scares did their own damage. One that hit too close to home for comfort was the loss suffered by the Hygrade Food Company, in Michigan. All it took was one consumer—and then a few more—complaining that razor blades were found in hot dogs, and hundreds of thousands pounds of product had to be recalled. Although it soon became apparent that the so-called victims, and not the company, were the real perpetrators, it was too

late. The false claims cost the company dearly—in time, recall expenses and profits lost.

Then there was the former employee of IBP in Kansas, who made anonymous phone calls claiming he had laced an unspecified amount of meat with cyanide, arsenic and LSD. Again, the incident was a hoax. But it, too, left its marks. I'm pleased to be able to tell you, by the way, that the individual involved in that situation has just recently been sentenced to prison.

Thanks to the cooperative efforts of the government, the industry, local health officials and others, these problems were quickly resolved. They had to be. But, with the wave of crime growing larger, it became clear that even this was not enough.

Fortunately for all of us, Congress also acted quickly. Today the United States is well on its way to having severe criminal penalties imposed on those who commit these criminal acts. Just a few weeks ago, the House of Representatives and the Senate passed anti-tampering bills that cover food, drugs, cosmetics and other susceptible consumer products.

Under the anti-tampering law, consumers would largely be relieved of the fear they might fall victim to these wanton, random crimes. But unfortunately, there is no law that could ever guarantee a world that is risk-free. What USDA and AMI can do, however, is guarantee a meat supply in which the risks are minute, and in which the American people can continue to have the utmost confidence. We all know that ultimately, the degree to which consumers hold this confidence hinges on two things: their assurance that government is willing to protect the public, and that industry is dedicated to scrupulous practices.

In the last few months, three separate attacks were made on the federal meat inspection system. In early January, Ralph Nader issued a report called "Return to the Jungle: How the Reagan Administration is Imperiling the Nation's Meat and Poultry Inspection Program." Nader contended that USDA does not adequately enforce health standards, that new inspection procedures and inspector shortages prevent inspectors from adequately doing their jobs, and that USDA suppresses reports of problems in plants. Then, in March, a New York Times article alleged potential contamination of meat and poultry by toxic chemicals. More recently, a newly-formed consumer group called Public

Voice for Food and Health Policy issued a report detailing ten areas where, according to the group, the administration is pursuing policies that expose Americans to unnecessary risks from our food supply.

I cannot stand before you and tell you there is not a measure of merit in some of those allegations. On the other hand, the misrepresentations that were made have the potential to chip away at what this country has laboriously forged into the safest, most wholesome, most abundant and generally most affordable food supply in the world.

Let's look for a moment at a problem that affects everyone, including the membership of AMI: drug and chemical residues in our food supply. Modern agriculture depends on the use of hundreds of substances—for use in raising animals and growing crops. While there is little if any chance of human exposure to the majority of these compounds, we must continue to work hard to minimize the opportunity for violative carcasses to reach consumers. Of course, the only way to ensure violative residues do not occur is to eliminate potential problems at their source.

In its report, Public Voice charged USDA's residue prevention program is inadequate; that our monitoring, sampling and testing efforts miss the mark. These allegations have caused unnecessary concern and anxiety among the consuming public. To be sure, there are challenges to be met in assuring the long-term safety of food. But the program does work. Through a combination of regulatory and non-regulatory initiatives, USDA has had great success in residue prevention and control. I'd like to take this opportunity to thank AMI for your efforts toward that end.

USDA's regulatory function includes monitoring and surveillance. Our non-regulatory efforts include exploratory surveillance efforts and the residue avoidance program—a cooperative effort between government and industry to reduce the potential for accidental residue problems. The premise of the program is this: monitoring combined with education on prevention is the most effective way of dealing with these problems. Experience bears this out, as well as the impracticality of trying to catch each violative shipment.

But domestic product is not USDA's only concern. We also have a mission to protect consumers from violative residues and other hazards in foreign meat imports. A few weeks ago USDA formally removed

Czechoslovakia from the list of eligible exporters to the United States. The reason: that country's meat inspection system was unable to control PCB residues in canned hams. By the same token, we will not move to restore eligibility until the problem has been corrected.

The residue problem is the kind of pervasive problem that will not go away by itself. Nor can any of us presume we can fight these fires alone. There is simply too much at stake.

In fact, all it takes is a glimmer of doubt about the safety of our meat supply to stymie changes that could only improve the federal inspection system. I'm talking here about the "less-than-continuous" legislative proposal to modernize processed products inspection—a proposal that has experienced some fair amount of difficulty to this point.

I'm sure you've all heard by now that it was re-introduced in the 98th Congress by Representatives Jim Jeffords and Arlan Stangeland. I would like to thank AMI for the enlightened support it has given this proposal, and encourage you to continue to work for its passage.

Obviously, because we cannot look at efficiency alone when we set about making changes, the legislative proposal does not preclude ensuring adequate protection to consumers. Quite the opposite. If passed, the bill would provide USDA the most appropriate means by which to distribute inspection resources where they're needed. As a result, dedicated and deserving firms will benefit from their diligence. And the firms found wanting will receive even more surveillance than they do now. If you can think of a better prescription to safeguard consumer confidence, let me know.

Now, some companies are content to have USDA play nanny to them, looking over their shoulders to make sure everything comes out right. You and I know this is not what federal meat inspection is all about. Many firms are, or would be, willing to take on increasing responsibility and accept their role as full partners in our joint mission to protect the public health. The most obvious advantage to these firms would be a commensurate reduction in the regulatory burden imposed by current "continuous" inspection provisions.

There are other advantages, as well. For the first time, individual processing plants would be treated not the same as all the others, but equitably. For example, a medium-risk plant with a good compliance

history that also participates in a quality control inspection program probably would be inspected once or twice weekly. A new plant, depending on the kind of product it produces and the frequency of operation, would receive "continuous" inspection until a compliance history could be compiled. We anticipate that some high-risk operations would receive more intensive inspection than they do now—especially where willful misconduct is discovered.

I would like to emphasize that the proposed legislation places no requirements on the regulated industry. Contrary to what some believe, participation in the total quality control inspection program would not be a prerequisite to receiving federal inspection services. The decision to implement such systems remains totally with the industry, as it does under current law.

Although the conversion to a compliance-based system of inspection may produce some costs to the industry, the benefits would far outweigh those costs. For example, analysis of data from 35 plants in the total quality control inspection program has shown that overtime charges were reduced by 67 percent. One company estimated that it had saved 2,500 dollars a month under the program because it had tightened net weight controls and reduced excess weight in its finished containers.

But perhaps the greatest advantage is this: under the efficient, smooth-running inspection system made possible by the proposal, industry would be allowed to grow and consumer safety could be even better assured. Government certainly doesn't want to be in the position of stifling industry innovation and expansion; that would be tantamount to stifling the economic growth of our nation. Furthermore, it's no longer practical—nor is it necessary—to increase the inspection force to try and keep pace. By targeting the bulk of our processing inspection resources to the problem areas, USDA, the industry—and the consuming public in particular—could get the best of both worlds.

I sometimes wonder if the self-styled consumer advocates who criticize this legislative proposal, and lobby against it, simply don't know that it is the American consumer who ultimately pays the price for outmoded and inefficient inspection practices. And I wonder if, given the technical and economic realities, the average consumer really is being represented at all in this regard. In any event, I'd like to thank

AMI for its efforts to ensure the introduction of this bill in Congress. Your continued support is vital.

Your association's support in another important area—sodium—has also made a difference. Dr. Arthur Hull Hayes, commissioner of the Food and Drug Administration, recently revealed results of a major national survey on the issue. The results indicate that industry's efforts to increase sodium labeling and make available low or reduced sodium products has contributed to an increased sodium awareness on the part of consumers.

For example, nearly three out of four adults have read or heard about health problems related to sodium. In addition, Hayes said, four out of ten adults are trying to avoid or cut down on sodium, which has replaced sugar as the food item consumers are most trying to avoid.

I want to urge AMI to keep sodium reduction and labeling on your agenda. Just look at the success of the new Esskay low-salt, no sugar bacon: I've been told the firm cannot keep enough on the market. The sodium program is good for business, and it gives consumers what they want. Without these voluntary efforts, additional legislation or regulation would only serve to undo these benefits, resulting in substantial costs to the industry—and ultimately, to consumers.

Food additives, as well as the larger question of food safety, is on everyone's mind these days. I know how hard AMI has been working to amend the food laws to ensure the continued safe use of important substances such as nitrite. But while the federal food regulatory agencies have reached a consensus for food safety reform, there has yet to emerge a national consensus—not to mention a meeting of minds within the industry itself.

In a few weeks, the issue will re-surface before the Senate Labor and Human Resources Committee, chaired by Senator Orrin Hatch. Eminent scientists will discuss whether science is at a point where more judgment can be expressed in food safety than the current laws permit. On the basis of these hearings, USDA and FDA will use our coordinated positions as a basis for testifying at any future congressional hearings that may be scheduled. We welcome your continued input on these issues as we work to develop a nationwide consensus for reform.

I know many of you are interested in an idea we have been considering to increase retail exemption provisions for food retailers,

thereby expanding their potential share of the institutional and restaurant markets. You should know that we have decided to withhold any action in that regard—largely because the meat and poultry advisory committee unanimously opposed such a move in its most recent meeting.

Before closing, I'd like to acknowledge receipt of AMI's petition to require that most kidney, pelvic and heart fat be removed from beef carcasses on the slaughter floor before they are offered for grading. I have requested a departmental task force—comprised of high-level agency officials—to examine the legal and practical implications of your request. While I'm not prepared at this time to give you any answers, I do want to express my appreciation for your consistently cooperative approach to resolving regulatory concerns. You can be sure that we will take as much care in analyzing your request as you took in its development.

Time and time again, AMI has demonstrated its willingness to face the tough issues head-on. Even more important is your determination to work with USDA—in identifying areas of contention and seeking mutually agreeable solutions where they can be found.

This is no small accomplishment, especially with problems like product tampering and chemical residues continually vying for the front burner. Let us continue this cooperative spirit. Without it, we cannot hope to preserve the consumer confidence we've worked so tirelessly to ensure.

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Testimony

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Testimony by Assistant Secretary of Agriculture William G. Lesher before the House Agriculture Committee's subcommittees on wheat, soybeans and feed grains and cotton, rice and sugar, May 24.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before you and report on the progress of the 1983 payment-in-kind program. As requested, I will comment on: 1) the supply and demand outlook for the crops affected by the PIK program; 2) status of the acquisition and delivery of PIK stocks; 3) the cost of PIK; and 4) the status of decisions concerning the 1984 crop programs.

In general, farmer participation in the PIK program exceeded nearly everyone's expectations. We will substantially reduce production for all program commodities as a result of PIK. Based upon current signup, we could take out as much as 82 million acres from production during this crop year. This is the largest amount of acreage reduction achieved by any farm program in our history. The cutbacks in production and the accompanying reduction in government stocks have already served to increase farm prices significantly in the near term and have improved the prospects for supply/demand recovery in the long term.

The high level of participation in this year's program clearly shows that producers have endorsed the PIK program as a temporary remedy. The attitude of those within the farm sector has improved dramatically since last fall. We must use this breathing space to adjust our farm policies and programs to meet more effectively the needs of the future by keeping our farm sector the most efficient in the world and supplying agricultural commodities to countries around the globe.

Current Supply and Demand Projections for 1983 PIK Crops

Wheat

We are estimating that approximately 30 million acres of wheat base may be devoted to conserving use in the 1983/84 crop year. This will reduce harvested acreage from 78.8 million acres in 1982 to something over 60 million acres in 1983. Wheat production in 1983 is forecast to be down about 15 percent from the record 1982 harvest to around 2.4

billion bushels (supply/use tables for all PIK commodities are included in testimony). Excellent growing conditions and prospective record yields for this year's crop are partially offsetting the 23 percent drop in acreage. Also, export demand and domestic use are expected to decline which could result in little change in projected carryover stocks of around 1.5 billion bushels and leave them well above "desired" levels. Without the PIK program, our wheat supplies would have grown significantly.

Corn

Harvested acreage for corn is projected to drop from 73.2 million acres in 1982 to around 50 million acres in 1983. Approximately 30 million acres of corn base can be expected to be placed in conserving use. Corn production for 1983 is currently forecast at 6.0 billion bushels—well below the record 8.4 billion bushel harvest of 1982. Although corn production may decline by 25-30 percent in 1983, record large carryin stocks will result in 1983/84 supplies declining by only one-tenth. Carryout stocks for the coming year should be reduced by 40 percent to around 2.1 billion bushels—a supply more than adequate to meet all needs.

Sorghum

Just under 6 million sorghum base acres should be placed in conserving use this year. Harvested acreage is estimated to be around 12 million acres in 1983—well below the 16.1 million acres harvested in 1982. Sorghum production is projected to be around 650 million bushels—almost 200 million bushels below last year's total. Ending stocks for 1983/84 should be about 60 million bushels below 1982/83 levels—somewhere in the range of 440 million bushels.

Rice

Heavy participation by rice producers in the PIK program is expected to drop 1983 harvested acreage and production by about one-third. More than 1.8 million acres are estimated to be taken out of rice production and producers will receive approximately 40 million hundredweight of rice for their compliance. Both export and domestic use of rice are forecast to increase and ending year stocks appear to be

adequate—at approximately 25 million cwt. Rice production should be somewhat over 100 million cwt. for 1983/1984.

Cotton

Cotton farmers may place as much as 6.7 million acres in conserving use this year. Producers will receive just over 4 million bales of cotton for their compliance. Production should drop by more than one-fourth to about 8.8 million bales. This, coupled with increased usage, should reduce stocks from 8 million to around 5.3 million bales by the end of next year. Stocks of cotton should be more than adequate to meet our needs.

Acquisition and Delivery of PIK Commodities

Now that the program signup has ended, the big job that remains concerns making the PIK commodities available to farmers on the availability dates. Of the 2.5 billion bushels of wheat, corn and grain sorghum to be made available as payment-in-kind to producers, on a state-by-state basis, less than 16 percent will need to be repositioned by CCC to meet outstanding commitments. While many have raised questions concerning this phase of the program, we are progressing on three fronts:

First, a large portion of the PIK entitlements will be met when farmers are given title to grain they are holding in the regular loan program or in the farmer-owned reserve.

Second, some of the producer entitlements will be made directly from Commodity Credit Corporation inventories. This relocation will occur in two ways:

1. CCC will offer to exchange grain it owns with warehousemen who agree to fulfill our PIK obligations at their warehouse—either by marketing the PIK entitlement for producers or through physical delivery of the commodity to the producers. We expect these exchanges will greatly limit the need for CCC to physically move grain into an area to meet PIK obligations.
2. The CCC may physically move inventory to an area to meet PIK obligations. It is anticipated that these movements will be minimal.

The final option for satisfying PIK entitlements is "Plant for PIK." This is currently being offered only to wheat producers and is on a

voluntary basis. Under this option, the producer places his current crop under loan. The loan is then forgiven by the CCC and the collateral is given to the producer as his payment-in-kind. The full extent of involvement in this program will not be known until late May.

In all programs that cover PIK commodities, producers receive not only payment-in-kind for PIK acreage, but additional benefits in terms of nonrecourse loans, cash deficiency payments and diversion payments as incentives for participation. We will confine our analysis today only to the PIK portion of the incentives.

For wheat, farmers will receive approximately 550 million bushels as PIK. Of this total, 234 million bushels are currently pledged as collateral for outstanding price support loans, more than 100 million bushels may be acquired through the "Plant for PIK" option and the remainder will come from CCC inventories.

Corn farmers will receive around 1.8 billion bushels as PIK. Of this total, 849 million bushels are pledged as collateral for outstanding price support loans, 761 million bushels were acquired from producers during the loan acquisition program conducted between April 4-15, and the remainder will come from other CCC inventory.

Program entitlements for sorghum amount to 227 million bushels. Of this total, 95 million bushels will come from loans currently pledged as collateral and the remainder will come from CCC inventory.

Unlike the previously mentioned commodities, PIK entitlements for rice do not have to be repositioned prior to delivery. Producers agreed to this condition when they signed up for the program. At this time, it appears that the CCC has sufficient rice to meet its commitments, so no further acquisition should be required.

As with rice, cotton producers receive their entitlements wherever the commodity is stored. Therefore, no physical exchanges will be necessary. A loan acquisition program for cotton is underway and will conclude on May 26. Under this option producers can offer 1982 crop cotton which is under loan to the CCC. Requests for in-kind compensation, not to exceed 7 percent of the total bales offered, will be considered. If the CCC does not acquire enough stocks through this

offer to meet its PIK commitments, it will require producers to plant for their own payment.

Cost of PIK

Recently there has been much speculation and confusion concerning the cost of the payment-in-kind program. While the ultimate cost of the PIK program will never be known, a balanced assessment is needed. In short, using the published current services budget and the president's 1984 budget (adjusted for consistency), the PIK program is estimated to reduce outlays, and thus the potential budget deficit, by \$9 billion through FY 1986. This does not include other program savings.

Without the PIK program the government would have taken ownership of more commodities for which loans had already been made to farmers. Market prices were not expected to be strong enough to prevent this from happening. Moreover, the chances of market prices rising high enough to allow us legally to sell the commodities back on the market or the farmer owned reserve being triggered were slim to none—barring some unforeseen surge in world demand or poor weather. Thus, all the carrying costs, such as storage and interest, would have been borne by the government for a very long period of time. For example, the carrying costs per bushel of corn for just three years approaches \$1.50 per bushel—about one-half of the market value. Over \$3 billion in carrying costs through FY 1986 is estimated to be saved by the PIK program.

More importantly, the PIK program has brought a turnaround in farm prices and the farm economy. Since the implementation of PIK, farm prices for corn have increased nearly 20 percent with wheat prices rising nearly 5 percent. Over the FY 1983-86 period, income support (deficiency) payments are expected to be reduced by over \$3 billion as a result of higher market prices from the PIK program. Moreover, about \$2 billion more is expected to be saved by lower diversion payments. Smaller categories of other savings are also included. The PIK program, after adding PIK acquisition costs, is expected to reduce total government outlays for commodity programs by over \$9 billion for FY 83 through FY 86.

But, as some say, there is no free lunch—so where is the catch? Well, the catch is that the government has given up assets

(commodities) that had a book value of about \$12 billion and that someday it could have sold back on the market to reduce Treasury borrowing. No one knows when this could have occurred legally or otherwise—farmers don't appreciate the government selling commodities back on the market and depressing their prices—without a substantial reduction in production. Even if they were sold, such massive sales would depress market prices and ultimately increase the cost of future farm programs.

The benefits of PIK, however, go well beyond the budgetary considerations. Higher farm incomes mean less external financing from agencies such as the Farmers Home Administration and the return of rural America and the family farm to a more solid economic base. At the same time, taking land out of intensive crop production means a larger percentage of the land in conserving use and helps protect one of our nation's most valuable resources. Moreover, PIK means that more farmers, who assure this country of an abundant supply of food and fiber, are going to stay in business at least a year or two longer.

One could go on with other indirect benefits and costs of the PIK program. With improved farm incomes more is spent in rural areas and more taxes are paid. On the other hand, input suppliers will sell less seed and fertilizer this year because of PIK (embut the stock market must have felt that PIK was good for the input industry in the long-run since the value of the stocks of many input supply firms went up after PIK).

1984 Crop Programs

The nation's farmers have embraced the PIK program and made it the first stage in restoring prosperity to the farm sector. In so doing, they have also rejuvenated the expectations of all the related industries. The farming sector provides the raw material to support a food and fiber system which employs 23 million people—about 22 percent of the labor force. The value added to farm products as they flow through the economic system amounts to 20 percent of the Gross National Product. Agriculture is an efficient sector in which this nation has a comparative advantage. In the context of world trade and economic competition, the strengthening of the farm sector as a matter of national priority is just

as important as developing new industries, such as high-technology, to sustain economic growth in this country.

PIK, however, is not a permanent solution. It is a temporary measure whose chief benefit is that it gives us time to reevaluate the conditions that lead us to our current problems and hopefully select long term strategies that will restore our agricultural economy to a sound footing. With federal outlays for price support programs approaching \$21 billion in FY 83, the need to accomplish this process in a timely and realistic manner has never been greater.

Looking at the 1984 crop year, in the context of the PIK program and at this early stage, I think that wheat has the greatest need for a continued program, given present supply and demand projections. At least one more year of acreage adjustments may be needed to restore the supply/demand balance that is needed.

Our intention is to announce the 1984 crop wheat program by July 1. This may include some type of PIK program. However, the size of the cutback and the incentives included for program participation may not be as great as they were this year.

For other PIK commodities, it is simply too early to tell if an acreage program will be needed or what size or type of program would be warranted. Planting for these crops will not begin until a year from now. Uncontrollable factors, such as weather, make it impossible to know what measures may be needed that far into the future.

Future Policy Needs

We are at a crossroads in agricultural policy. We must take action now to remove the most immediate contradiction in our policy. Target and loan prices above market clearing levels are telling producers to expand production. The PIK and other acreage reduction programs are telling farmers to cut back. If only as a holding action, we must move immediately to freeze target prices.

However, the toughest problem before us is deciding what direction our long term agricultural policy should take. Do we want a government-dominated agriculture or do we want to be competitive in world markets?

Secretary Block, in his testimony of May 19 before the Joint Economic Committee, reviewed a number of the long term policy

options that are available to us. It is his belief, and my own, that we must work toward a more market-oriented agriculture if we wish to remain a strong and viable industry in the future. Once we direct our production to the marketplace, and not to an artificial price system, then our competition will be forced into an honest battle which experience has shown we can win.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA EXTENDS COMMENT PERIOD ON BURLEY, FLUE-CURED MARKETING QUOTA RULES

WASHINGTON, May 20—The U.S. Department of Agriculture has extended by 30 days—until June 22—the comment period on its proposal regarding the sale or forfeiture of allotments and quotas for burley and flue-cured tobaccos.

The deadline for submitting comments originally was May 23.

Under the proposal, entities, but not individuals, not significantly involved in management or use of land for agricultural purposes would be required to sell or forfeit burley and flue-cured allotments or quotas.

According to Everett Rank, administrator of USDA's Agricultural Stabilization and Conservation Service, the proposed change would apply to allotments or quotas on land owned by governmental entities, public utilities, educational and religious institutions, among others.

Rank said USDA extended the comment period in response to numerous requests for such action and because of the "wide range of the proposal's effects and the great interest shown so far."

Comments will be accepted by the director, tobacco and peanut division, USDA/ASCS, P.O. Box 2415, Washington, D.C. 20013. All comments will be available for public inspection in room 5750 of USDA's South Building.

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USDA TO DISCONTINUE BURLEY, FLUE-CURED TOBACCO CARRYOVER PROGRAM

Washington, May 20—"The excess poundage carryover program for burley and flue-cured tobacco will not be continued for the 1983 and subsequent marketing years," Secretary of Agriculture John R. Block announced today.

The program was reinstated for the 1982 crop only, after having been in effect for the crop years 1972 through 1978. Excess tobacco is

that produced in excess of 110 percent of the effective farm quota. The program provided for safe storage of such tobacco produced primarily for reasons beyond the producer's control, Block said.

The program was discontinued beginning with the 1979 crop because it stimulated overproduction, with producers intentionally producing excess tobacco; and there was no provision in law for reducing the farm quota for the following year, even though some of the quota would be displaced by pounds held in carryover. It tended to contribute to the rising costs of leasing quota; large amounts of carryover depressed auction market prices; and overproduction encouraged increased incidents of false identification.

"We have determined the carryover program is not in the best interests of producers and other segments of the tobacco industry," Block concluded. "We have received support for this determination from various farm and warehouse organizations, producers and members of Congress. Therefore, we are making this early announcement so producers will not plant excess acreage in anticipation of continuance of the program."

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USDA SIMPLIFIES CONDEMNED POULTRY CARCASS DISPOSAL

WASHINGTON, May 23—Effective June 22, federally-inspected poultry slaughter plants will no longer be required to keep poultry condemned for disease separate from poultry condemned for other reasons, a USDA official said today.

Under the new rule, plants may keep all condemned poultry in the same container except for poultry suspected of containing biological residues, said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

Federal inspection regulations require that poultry condemned for disease, or for such nondisease reasons as contamination, death other than by slaughter, decomposition or overscald, be made unfit for human consumption. Approved disposal methods include rendering, incineration and chemical denaturing.

Poultry condemned for biological residues, however, must either be incinerated or buried under USDA supervision. This regulatory requirement will not be changed under the final rule.

"Since both diseased and nondiseased condemned products are disposed of in the same manner, the present requirement is often restrictive and unnecessary," said Houston. "The final rule will allow plants to operate more efficiently."

USDA received two favorable comments on the Aug. 9, 1982, proposal.

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USDA TO EXPAND CONSERVATION HELP ON NAVAJO RESERVATION

WASHINGTON, May 23—The entire Navajo Indian Nation now is eligible for soil and water conservation assistance from the U.S. Department of Agriculture.

Secretary of Agriculture John R. Block today signed a memorandum of understanding with the Shiprock Soil and Water Conservation District in Arizona, New Mexico and Utah to help the district carry out a broad program of assistance to land users in natural resource protection and improvement and rural development.

This is the fifth conservation district to be formed on the reservation.

"More than 2 million local people in the United States voluntarily carry out soil and water conservation improvements on their properties every year," Block said. "We look forward to helping more of the Navajo people improve their resources and their livelihood."

Block said the USDA will provide cost-sharing and credit along with research, education and technical help. The Shiprock district has drawn up a long-range program aimed at:

- Improving rangelands to prevent erosion and provide more forage;
- Developing and improving irrigation systems and water supplies;
- Assuring multiple use of woodland areas to enhance many resources and meet many values; and

— Helping all Navajo people learn how to care for and manage the district's natural resources.

The Shiprock district has 18,000 acres of irrigated farmland and 5,500 acres of dryland farmland, along with considerable forest, mainly ponderosa pine. One important concern is protection of the Mesa Verde cactus, an endangered species found only in the Mancos-shale soils near Shiprock.

Physical features of the district are varied and complex—from mountains, mesas and bluffs to terraces and floodplain valleys. Soils and vegetation likewise are varied, and elevation ranges from 4,800 to more than 9,000 feet.

Headquarters for the new district are at Shiprock, N.M., and a 10-member, elected board will govern the soil and water conservation efforts. All land-users in the district will be encouraged to become cooperators.

Other conservation districts on the 14-million-acre Navajo reservation are the Little Colorado River, Navajo Mountain, Fort Defiance and Chinle. They join nearly 3,000 other conservation districts throughout the U.S., organized under state law or, as in this case, the Navajo Tribal Code enacted in 1980.

"Concerns of the Shiprock Soil and Water Conservation District fit well with our national conservation program priorities of soil erosion control and water conservation as well as prevention of upstream flood damages," Block said.

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USDA NAMES WINNERS IN THIRD ANNUAL FOOD SAFETY POSTER CONTEST

WASHINGTON, May 24—Three school children—two from New York and one from Ohio—have won the top prizes in the third annual food safety poster contest sponsored by the U.S. Department of Agriculture's Food Safety and Inspection Service.

First prize winners are: Jennifer Agnello, 7, a second grader at Lewiston-Porter North Elementary School in Youngstown, N.Y., grades 1-2; Melinda Hayes, 8, a third grader at Mercy Montessori Center,

Cincinnati, Ohio, grades 3-4; and Robert Lucci, 11, a sixth-grader at Campus North School, Buffalo, N.Y., grades 5-6.

The poster contest reached some half million school children in both public and private schools this year and attracted nearly 70,000 entries.

Its purpose is to promote good food handling practices, and to educate children on how to prevent food poisoning, according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

"We were extremely pleased with the response to this year's contest," Houston said. "When the final tallies were completed, this year's entries had almost doubled those of 1982.

"We were also impressed with how well the children understood our food safety messages—the importance of storing, handling and cooking food properly and the necessity of reading product labels to see exactly what you're eating. Lists of ingredients on product labels are important to children with food allergies and other medical problems.

The first prize winners each receive \$200 U.S. savings bonds and a trip to Washington, D.C., for the students and their parents. Their teachers also receive \$200 bonds. Robert Lucci's teacher is Patricia Knapp. Melinda Hayes' teacher is Dave Gray, and Jennifer Agnello's teachers are Ellen Doher and Cathy Burns.

Second prize winners will receive \$100 bonds. They are: Mark Menezes, 7, Wilson School, East Providence, R.I., grades 1-2; Jason CanneLongo, 10, Temple Christian School, Newark, Del., grades 3-4; and Ali Melayne Ayres, 12, Atkinson Elementary School, Fremont, Ohio, grades 5-6. Their teachers will also receive \$100 savings bonds.

Third prize winners, who receive \$50 bonds, are: Christopher Dearie, 8, The Alexander Robertson School, New York, N.Y., grades 1-2; Claire Elise Bittman, 9, Signal Mountain Elementary School, Signal Mountain, Tenn., grades 3-4; and Tammy Seabolt, 11, grade 5, Holton Elementary School, Holton, Mich., grades 5-6.

The teachers of the third-prize winners receive \$50 dollar bonds. Finalists and semi-finalists will receive food safety ribbons and special certificates of merit. All prizes were donated by the National Pork Producers Council, the American Meat Institute, the National Broiler Council and USDA's Welfare and Recreation Association.

This year's judges were: Linda Bardo, administrative director, Public Voice for Food and Health Policy; Roselyn Epps, professor of pediatrics at Howard University and chairman of the Maternal and Child Health Council, National Medical Association; Irene Glazer, coordinator of elementary art, Montgomery County (Md.) Public Schools; Sally Katt, public affairs specialist, USDA; Marilee Menard, vice president for public affairs, American Meat Institute; Linda Ventsam, administrative assistant, National Pork Producers Council; George Watts, president, National Broiler Council; Isabel Wolf, administrator, Human Nutrition Information Service, USDA; and Paul Wood, president, USDA Welfare and Recreation Association.

The Food Safety and Inspection Service is the USDA agency responsible for inspecting meat and poultry products to assure that they are safe, wholesome and properly labeled.

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WET WEATHER REDUCES FRESH VEGETABLE SUPPLIES IN APRIL

WASHINGTON, May 24—Retail food prices in April rose 0.5 percent before seasonal adjustment, and were 2.8 percent above April a year ago, according to the monthly consumer price index released today by the U.S. Department of Labor.

According to Assistant Secretary of Agriculture William Leshner, the 0.5 percent rise in prices for food bought in grocery stores was largely due to weather disruptions in the fresh vegetable and cattle sectors. The price levels for these foods were 2.0 percent above April 1982. Prices for food away from home also rose 0.5 percent in April and were 4.7 percent above a year ago.

These changes reflect the continued moderation in food price increases expected this year, due to weak demand and large supplies of most farm commodities, Leshner said.

"Retail prices for fresh vegetables increased 7.5 percent last month, due to reduced supplies caused by wet weather this spring. Wet fields caused delays in planting and interrupted harvest of many fresh vegetables. This hindered the normal flow of vegetables going to

market and resulted in higher prices. Supplies will increase as the summer crops begin to mature," Leshner said.

Retail prices for bananas increased 14.8 percent last month as storms in Honduras, Guatemala and Costa Rica interrupted supplies. Prices for apples were also higher as supplies in storage decreased. These price changes contributed to a 3.2 percent increase in the overall price index for fresh fruit.

Retail meat prices increased by 0.2 percent in April. Beef and veal prices increased 2.4 percent due to reduced supplies. In contrast, retail pork prices were down 3.3 percent. Larger supplies of broilers were responsible for a 1.4 percent decline in poultry prices.

April Retail Food Prices, Percent Change for Selected Items

Items	March to April		April 1982 to April 1983
	Not seasonally adjusted	Seasonally adjusted	
<i>Percent change</i>			
All food	0.5	0.5	2.8
Food away from home	0.5	0.4	4.7
Food at home	0.5	0.4	2.0
Meats	0.2	0.7	3.7
Beef and veal	2.4	2.1	1.7
Pork	-3.3	-1.1	8.5
Other meats	-0.4	*	2.2
Poultry	-1.4	*	-1.2
Eggs	-0.1	1.5	-6.4
Fish and seafood	-0.2	0.0	-0.7
Dairy products	0.2	*	1.1
Fats and oils	0.1	*	-0.7
Cereals and bakery prods.	0.4	*	3.3
Fruits and vegetables	2.8	1.0	0.3

(table continued on next page)

April Retail Food Prices, Percent Change for Selected Items*continued*

Items	March to April		April 1982 to April 1983
	Not seasonally adjusted	Seasonally adjusted	
	<i>Percent change</i>		
Nonalcoholic beverages	-0.2	-0.1	1.8
Sugar and sweets	0.1	*	2.2
Other prepared foods	0.3	*	3.9

* A seasonally adjusted index is not available for these items.

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**PRESIDENT REAGAN PRESENTS SCIENCE MEDAL TO
USDA RESEARCHER**

WASHINGTON, May 24—President Ronald Reagan today presented the National Medal of Science to Glenn W. Burton, a research geneticist with the U.S. Department of Agriculture’s Agricultural Research Service.

A citation from President Reagan read: "Dr. Burton’s outstanding contributions to knowledge in the biological sciences have helped to feed the hungry, protect and beautify the environment, and provide recreation to millions."

Burton was one of 12 scientists receiving the national medal from the president in ceremonies at the White House. It is the nation’s highest award for scientific achievement.

Leading a small multidisciplinary team of four scientists at the Coastal Plain Experiment Station in Tifton, Ga., Burton pursues a broad research program on plant genetics ranging from field selection to fundamental investigations on the nature of inheritance.

Terry B. Kinney, Jr., administrator of USDA’s research agency, said one of Burton’s recent developments, a new hybrid grass called Tifton

44, may play a significant role in meeting the food needs of the world's burgeoning population.

Tifton 44 is so nutrition-rich for cattle that, without extra production cost or increase in acreage, it can add millions of pounds of beef to the marketplace. Tests show that cattle grazing Tifton 44 instead of native grasses will boost daily weight gains by 19 percent, Kinney said.

Kinney said bermudagrass was "a pesky weed that plagued the cotton grower's existence before Dr. Burton's research efforts turned it into a multi-million dollar asset. Parent plants for his hybrid bermudas literally came from wildlings everywhere, even from a small patch along a railroad siding in Berlin, Germany."

In other research, Burton overcame technical obstacles to create new hybrid millets that feed millions around the world. Because most grasses, including millets, self-pollinate, it was difficult to breed the hybrids. Burton altered the cytoplasm of pearl millet cells to create the cytoplasmic male-sterile plants that made hybrids possible.

Burton sent sterile-male millet seeds to India for use in breeding programs there. The Indian scientists soon developed a hybrid that outyielded the best open-pollinated hybrids by 88 percent, Kinney said.

"In just a five-year period, millet grain production jumped from 3.5 to 8 million metric tons. That climb in millet yield accounted for 20 percent of the extra food produced during India's Green Revolution," Kinney said.

Burton has served as a consultant or lecturer in 53 foreign countries sharing the expertise he gained in developing 33 new varieties of forage crops and grasses.

In Georgia, where Burton has devoted his entire career to federal-state cooperative research, associates noted his regional contributions.

"Since coming here in 1936, Burton has been a major force in helping change our vulnerable and declining row-crop agriculture—not only of the state but of the region—to one that is highly diversified and productive," said Dean William A. Flatt of the University of Georgia's College of Agriculture, Athens.

Flatt said that although Burton is located 200 miles away, he served chairman of the college's division of agronomy from 1950 to 1965 and, over the years, has directed the work of 15 graduate students.

Burton hold's a university chair as the Alumni Distinguished Professor of Plant Genetics.

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USDA QUARANTINES TEXAS CATTLE FOR BRUCELLOSIS

WASHINGTON, May 24—The U.S. Department of Agriculture will quarantine Texas cattle, effective June 1, because the state lacks the legal authority to test all herds suspected of being infected with brucellosis.

"The quarantine will impose severe shipping restrictions on Texas cattle," said Bert Hawkins, administrator of USDA's Animal and Plant Health Inspection Service. "However, the quarantine is needed to protect the nation's \$29 billion beef cattle and \$18 billion dairy industries."

The quarantine will also mean a cut-off of most federal funds to fight brucellosis in the state—about \$11.5 million in 1982—including indemnity payments for ranchers whose cattle are found infected.

Hawkins said the problem arose as a state legal issue when rancher R.J. Nunley of Sabinal, Texas, obtained a court order to halt the brucellosis testing of his cattle.

"We have been working closely with Texas authorities since 1978 trying to assist them in a settlement," Hawkins said. "Most recently, we hoped the matter would be resolved by Texas lawmakers. But the Texas Senate has thus far failed to act favorably on a bill that would have given state animal health officials the needed authority to control brucellosis. This left us no option but to impose the quarantine."

The national brucellosis program is a cooperative state-federal effort. USDA regulates movements of cattle between states and the individual states regulate movements within their borders. However, Hawkins said that court action has stopped Texas from exercising the required intra-state controls, making a cooperative state-federal effort impossible.

Under the quarantine, breeding cattle may be shipped out of Texas only from "qualified herds"—those that have passed two negative herd tests for brucellosis 120 days apart. Also, the individual animals being

shipped for breeding must be tested and found negative within 30 days of shipment.

Animals from herds that do not meet these requirements — including un-spayed heifers over six months of age coming out of feed lots—must be branded with an "S" and can only be shipped for slaughter. Animals from qualified herds can be shipped if tested negative within 30 days and accompanied by a certificate showing test results.

Neutered animals—steers and spayed heifers—over six months old are exempt from testing. The quarantine does not apply to cattle being shipped into Texas.

Because the disease has a lengthy incubation period, from 30 days to several months, it's easy for infection to spread by livestock movement unless herds and animals are tested. Brucellosis is an infectious bacterial disease that causes reduced calf crops and lower milk production in cattle.

Although it poses no danger to those who eat meat and pasteurized dairy products, it can cause flu-like symptoms that persist for several weeks or more in slaughter plant workers and others who are in contact with infected animals or their freshly killed carcasses.

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USDA DONATES BUTTEROIL TO POLAND

WASHINGTON, May 25—The U.S. Department of Agriculture's Commodity Credit Corporation has donated 1.852 million pounds of butteroil to the World Vision Relief Organization for distribution to needy persons in Poland, according to Under Secretary of Agriculture Daniel G. Amstutz.

CCC acquired the butter from which the butteroil was produced under the domestic dairy price support program.

Butteroil is produced by melting butter and removing the accompanying water and salt, resulting in a product that is 99.6 percent milkfat. Butteroil is used in cooking and in the manufacture of dairy products and can be re-combined with nonfat dry milk to produce reconstituted whole milk.

Earlier this month, CCC donated 3.969 million pounds of surplus dairy products to the World Vision Relief Organization for distribution in Poland. Those donations, made under Section 416 of the Agricultural Act of 1949, included 1.323 million pounds of nonfat dry milk, 1.323 million pounds of cheddar cheese and 1.323 million pounds of butter.

As with the earlier donation, the donated butteroil will be given to some 200,000 elderly Polish persons who lack pensions, the ill and disabled who lack access to social services and to those people experiencing severe food shortages due to living standards below acceptable norms.

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SCIENTISTS JUST STARTING YOUR CAREERS: USDA WANTS YOU

WASHINGTON, May 25—U.S. Department of Agriculture researchers are looking for new scientific talent to pursue basic research—such as electrically fusing cells to genetically improve major food crops.

An example:

Lowell D. Owens, a plant physiologist, is investigating the potential of the new gene technology called electrofusion. One of his priorities now is to bring a new scientist into the research. Owens is one of 21 veteran scientists selected by USDA's Agricultural Research Service to have career-starting researchers join them in their laboratories.

All the studies are in basic research, embracing biotechnologies and other advanced scientific techniques. They were chosen from among 189 research proposals submitted by agency researchers nationwide.

A major aim of these studies, first funded in 1981 by the research agency, is to attract recently graduated Ph.Ds to agricultural research, said Terry B. Kinney, Jr., the research agency's administrator.

That's just what Owens' electrofusion work at the Beltsville, Md., Agricultural Research Center is expected to do, Kinney added. What sets Owens apart is that his research proposal won the Talcott W.

Edminster Award from among the finalists in the agency's research associate program.

Kinney said all 21 research proposals will be funded at a total of \$735,000 as a way to widen support for basic agricultural research and encourage new scientific talent.

That funding is an increase of \$315,000 over last year, Kinney said. Other support will come from the agency's four regions, which are seeking to sponsor additional regional research associate projects as their funds permit.

Kinney said the types of research in the proposals "exemplify what Mr. Edminster had in mind when he developed the research associates program—studies that are fundamental in nature and generate knowledge that is basic to advances in science on a broad front." Edminster was administrator of the agency from 1971 until his retirement in 1980. He died later that year.

"Basic research is the key to sustaining progress and productivity in agriculture," said Kinney.

He said the projects will "help nurture the development of new scientific talent. We need to rebuild what is now a diminishing pool of agricultural scientists."

Among the projects are efforts to:

- Isolate the genes that have a role in regulating carbon dioxide in plants so this energy source can be more fully utilized in photosynthesis.
- Introduce a new concept for determining the mechanism by which parasites retard the growth of calves.
- Investigate plant growth regulators that, after being applied to grain crops in the field, can carry fungi-controlling potency over to grains put in storage.

Kinney said young scientists selected under the program will receive one-year appointments in the USDA research agency at the GS-11 salary level of \$24,508. Participation in the program is limited to U.S. citizens.

Potential applicants can obtain information about these positions by contacting either the appropriate scientist or the research agency's current Information Branch, Room 324, Bldg. 005, BARC-West, Beltsville, MD 20705. (301) 344-4296.

Brief descriptions of the projects, along with contacts for more details or information about applying for a research associate position, follow:

Northeastern Region

— (Winning proposal for 1983 Talcott W. Edminster Award)
Electrofusion employs low voltage to fuse cells from different plants as a means of combining genes for superior genetic traits. This genetic engineering approach permits fusion of all cells, which is not possible with present chemical methods of cell fusion. Contact: Lowell D. Owens, Cell Culture and Nitrogen Fixation Laboratory, Bldg. 011A, BARC-West, Beltsville, Md. 20705. (301) 344-4072.

— Scientists will relocate particles of the genetic material DNA to turn genes on and off in plants and also to help bring about new mutations. This technology may provide scientists with the only means of directly isolating the genes that control such specific traits as leaf size and shape, or color of seed coat. Contact: G. R. Chandra, Seed Research Laboratory, Bldg. 006, BARC-West, Beltsville, Md. 20705. (301) 344-3466.

— Molecules of the cucumber mosaic virus known as CARNA 5 will be modified and studied as a possible bioregulatory agent of viral diseases of plants. This research could lead to the first control of viral diseases by means of a natural bioregulatory agent produced by genetic engineering. Contact: Russell L. Steere, Plant Virology Laboratory, Bldg. 001A, BARC-West, Beltsville, Md. 20705. (301) 344-2746.

— Severe freezing temperatures can drastically curtail yields of such stone fruit crops as apricots and peaches. Little is known about the nature of freezing injury in woody tissues or how trees acclimate themselves to freezing. Research will aim at providing ways to screen for more frost-resistant fruit trees and to develop better cultural practices to improve winter hardiness. Contact: Bill A. Butt, Appalachian Fruit Research Station, Rt. 2-Box 45, Kearneysville, W.Va. 25430. (304) 725-3451.

— Scientists will measure changes in the density and structure in bone as influenced by diet and age. This study should shed more light on osteoporosis, an age-related disease characterized by large losses of bone tissue. Contact: James C. Smith, Jr., Vitamin and Mineral

Nutrition Laboratory, Bldg. 307, BARC-East, Beltsville, Md 20705. (301) 344-2351.

— A new concept will be introduced for determining the mechanism by which parasites retard calf growth. Scientists will study the effects of antigrowth factors produced by parasites and how they interact with nutrition to control the growth of calves. Contact: Paul Moe, Ruminant Nutrition Laboratory, Bldg. 200, BARC-East, Beltsville, Md. 20705. (301) 344-2267.

North Central Region

— New knowledge about how the enzyme lectin is involved in forming nodules on the roots of soybean plants could result in varieties that are more efficient at fixing nitrogen for their own fertilizer. Planting such varieties would cut the cost of nitrogen fertilizer to farmers while boosting soybean yields by 10 to 25 percent. Contact: Morey E. Slodki, Microbial Biochemistry Research, Northern Regional Research Center, 1815 N. University, Peoria, Ill. 61604. (309) 685-4100.

— A disease called porcine parovirus costs the U.S. pork industry as much as \$75 million annually. To help curb these losses, genes containing proteins of the virus causing infection will be mapped as a first step toward genetically engineering a cheaper and more effective vaccine than is currently available. Contact: Prem S. Paul, National Animal Disease Center, P.O. Box 70, Ames, Iowa 50010. (515) 232-0250.

— If the carbon dioxide (CO₂) that plants lose during photorespiration could be saved for photosynthesis, crop yields would climb significantly. Scientists have identified many of the individual enzymes involved in photosynthesis, but little is known about how nature coordinates the various enzymes within the photosynthesis cycle. Scientists will seek answers by isolating the genes involved in regulating the rate of CO₂ fixation and incorporating them into crop plants. Contact: William L. Ogren, USDA-ARS, S-128 Turner Hall, 1102 S. Goodwin, University of Illinois, Urbana, Ill. 61801. (217) 333-4370.

— Maize dwarf mosaic virus (MDMV) is the most damaging viral disease of corn, the nation's No. 1 crop. Mutant virus strains arise readily to thwart the breeding of resistant lines. Scientists will develop

monoclonal antibodies to try to speed the identification of MDMV strains and the breeding of hybrid corn varieties with resistance to the disease. Contact: Roy E. Gingery, USDA-ARS, Rm. 206 Selby Hall, Ohio Agricultural Research and Development Center, Wooster, Ohio 44691. (216) 264-1021.

— Variation within *Rhizobium meliloti* symbiotic N-fixation effectiveness and acid tolerance, Dr. Donald K. Barnes, ARS-USDA, Room 404, Agronomy Bldg., University of Minnesota, St. Paul, Minn. 55108. (612) 373-0865.

Southern Region

— By applying spores of beneficial fungi to foliage, scientists may open the way to biological control of such diseases as brown spot of tobacco. Preliminary research indicates that the spores germinate on leaf surface where they inhibit infection by disease organisms. Contact: Harvey W. Spurr, Jr., Tobacco Research Laboratory, Rt. 2-Box 16-G, Oxford, N.C. 27565. (919) 693-5151.

— Computer studies that simulate movement of sediment eroded from intensively cropped farmland can provide much more information than can be obtained in the field. Scientists will use this technique to study the transport of soil particles under greatly varied conditions in order to devise the practices and structure needed to control sedimentation. Contact: L. D. Meyer, USDA Sedimentation Laboratory, P. O. Box 1157, Oxford, Miss. 38655. (601) 324-4121.

— Toxic fungi such as aflatoxins have over the past 20 years become an important problem affecting such livestock feedstuffs as corn, cottonseed, and peanut meal. Scientists are trying to develop plant growth regulators which could be applied to crops in the field and then carry over to inhibit fungal growth while the grain or meal is in storage. Contact: Frederick W. Parrish, Southern Regional Research Center, Rm. 2104, 1100 Robert E. Lee Blvd., New Orleans, La. 70179. (504) 589-7595.

Western Region

— Scientists are working to develop an effective vaccine against bluetongue, a serious disease of cattle and sheep. Currently, they are using hybridoma technology to isolate the 10 proteins which compose

the bluetongue virus. They will test injections of proteins, both singly and in combinations, to determine whether the protein can provide immunity against the disease. Contact: Thomas E. Walton, Denver Federal Center, Arthropod-Borne Animal Disease Research Laboratory, Bldg. 45, Entrance S3, Denver, Colo. 80226. (303) 234-2474.

— Future needs for food will require arid and semi-arid regions of the world to be irrigated and used to grow grain. A perennial problem of irrigated soils is salinity, which not only lowers yields but also decreases the crop's content of protein. Scientists will study how salinity influences the synthesis of protein in barley. The research may lead to the development of soil treatments to protect crops against salt injury. Contact: William J. Hurkman, Western Regional Research Center, 800 Buchanan Street, Berkeley, Calif. 94710. (415) 486-3296.

— Absciscic acid (ABA) is a bioregulator governing various functions of plant development including seed and bud dormancy, leaf and fruit maturation, senescence, and abscission, the process of shedding such parts as leaves and fruit. Substantial gaps exist in knowledge about the biochemistry of ABA, including which enzymes are involved in its synthesis and metabolism, and how ABA levels in plants are regulated. Researchers will isolate and study the activity of these enzymes to find ways for improving the quality, yields, and storage life of crops. Contact: Shin Hasegawa, Fruit and Vegetable Chemistry Laboratory, 263 S. Chester Avenue, Pasadena, Calif. 01106. (213) 681-7294.

— Evaluate methods for measuring total daily energy expenditures of humans, Dr. James M. Iacono, ARS-USDA, Western Human Nutritional Research Center, Lair Bldg. 1110, Room LR3142, Presidio of San Francisco, Calif. 94129. (415) 556-9699.

— Study biology of Karnal wheat bunt to provide basis for disease control measures, Dr. James A. Hoffman, ARS-USDA, Crops Research Laboratory, Utah State University, Logan, Utah 84322. (801) 750-3074.

— Develop intra-specific crosses of Pima and upland cottons for new varieties that combine high yields with modal length fibers, Dr. Carl V. Feaster, ARS-USDA, Cotton Research Station, University of Arizona, 4207 E. Broadway Road, Phoenix, Ariz. 85040. (602) 261-4221.

— Isolate proteins in plant membranes with gel-electrophoresis techniques and study their migration patterns during plant stress, Dr. Merle Millard, ARS- USDA, Cereal Products Research, Western Regional Research Center, 800 Buchanan Street, Berkeley, Calif., 94710. (415) 486-3296.

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USDA ISSUES NEW DRAFT OF MEAT PURCHASE SPECIFICATIONS FOR COMMENT

WASHINGTON, May 26—A new draft of the U.S. Department of Agriculture's Institutional Meat Purchase Specifications for Fresh Pork is now available for public comment.

Thomas H. Porter, of USDA's Agricultural Marketing Service, said the fresh pork specifications (Series 400) are part of a series of meat descriptions used by the industry for trading and marketing.

The first draft of the document was issued in September 1981. After review of the comments, the fresh pork series was rewritten and now is available for further comment by the public. The current document contains updated nomenclature and sampling plans. It uses muscle reference rather than bones for identification and reflects current commercial practices for cutting pork.

Information on the specifications and copies of the new pork draft may be obtained from Mike May, chief, Livestock and Meat Standardization branch, Room 2-M, Annex, 300 12th St., S.W., Washington, D.C., 20250, Telephone: (202) 447-4486. Comments, also to Mike May, must be submitted by Aug. 1.

Revision of the pork IMPS is part of a project to revise all nine documents of the specification series. General Requirements, the first document to be revised was put into effect in October 1982.

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Backgrounder

U.S. Department of Agriculture • Office of Governmental and Public Affairs

ENTERPRISE ZONES FOR RURAL DEVELOPMENT

In the 1970's, rural employment growth outpaced urban job progress by one-third and the strongest growth occurred in places beyond the suburban fringe. This growth was not uniform, however, and many rural areas continued to decline, both in population and in economic activity. The Office of Rural Development Policy, the U.S. Department of Agriculture agency responsible for coordinating federal efforts to improve conditions in rural areas, is exploring ways to assist the economic health of depressed rural areas.

One of the most appealing new approaches to economic development is the enterprise zone concept, which originated in Great Britain as an urban development program. The enterprise zone concept gives proper emphasis to private sector investment for the creation of jobs and a healthy economic base. Under Secretary for Small Community and Rural Development, Frank W. Naylor, Jr. has recommended that Congress consider the enterprise zone concept as a way of addressing the need for new businesses in depressed rural areas. He said the USDA report, "Better Country: A Rural Development Strategy for the 1980's," supports the idea of rural enterprise zones.

The report lists several important features necessary for the success of such a program: eligibility for places with 1,000 to 50,000 people, initiation by state and local governments of applications for federal zone designation, local leadership in administration of designated zones, tax incentives for employers and employees locating in zones and relaxation of federal regulations.

Such a federal program should start out at a moderate level, for instance, 75 zones over a three year period, to test the concept. One-third of the zones should be in rural areas. Several states have enacted legislation providing for enterprise zones, and bills to create a national program are pending in Congress.

The goals of the enterprise zone concept are to increase entrepreneurship by making the climate better for new business and to encourage job creation which will help the working poor, unemployed,

and underemployed gain a foothold on the ladder of opportunity, in or near home. These goals could be realized by:

- Eliminating capital gains taxes on zone investments.
- Providing investment tax credit for investment within zones.
- Allowing excess tax credits to be distributed over a range of tax years.
- Providing an employee personal income tax credit up to 5 percent of wages earned in the zone.
- Allowing employers a tax credit for hiring disadvantaged workers, to be applied over 5 years.
- Allowing existing businesses a tax credit for increases in the total payroll, up to 10 percent.

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